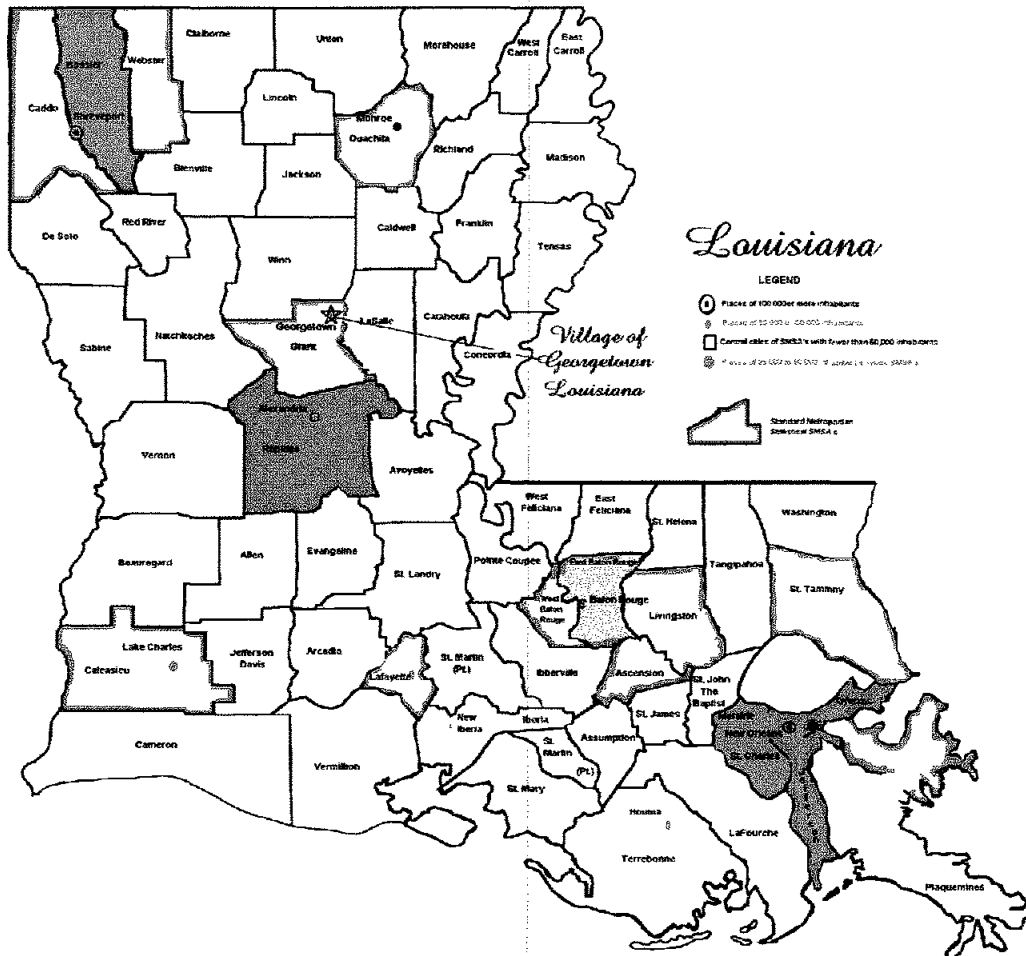


**VILLAGE OF GEORGETOWN, LOUISIANA**

**Annual Financial Statements**

**JUNE 30, 2013**

# VILLAGE OF GEORGETOWN GEORGETOWN, LOUISIANA



✓ The Village of Georgetown was incorporated under the Lawrason Act and the Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with Parish, State and Federal governing bodies.

**Village of Georgetown, Louisiana**  
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**June 30, 2013**

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### MEMBERS

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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

The Honorable Danny Olden, Mayor  
& Members of the Village Council  
Georgetown, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and business-type activities of the Village of Georgetown, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Village of Georgetown's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities, of the Village of Georgetown, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2013, on our consideration of the Village of Georgetown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Georgetown's internal control over financial reporting and compliance.

### *The Vercher Group*

September 17, 2013  
Jena, Louisiana

# Village of Georgetown

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Georgetown, Louisiana 71432

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the Village, we offer readers of the Village of Georgetown's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

#### *Governmental Funds*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$952,942 (*net position*). This is a \$123,012 increase from last year, mainly due to an increase in capital assets, not of accumulated depreciation in the amount of \$235,624.
- The Village had total revenue of \$738,008, in which \$414,740 came from court and \$224,894 came from collection of fines. This is a \$57,643 decrease from last year's revenues, mainly due to a decrease in loan proceeds in the amount of \$167,500.
- The Village had total expenditures of \$843,008, which is a \$196,496 increase from last year, mainly due to an increase in capital outlay in the amount of \$109,245.

#### *Enterprise Funds*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,742,399 (*net position*). This is a \$76,130 increase from last year.
- The Village had total revenue of \$239,363. This is an \$82,661 increase from last year due to an increase in capital grants in the amount of \$80,796.
- The Village had total expenses of \$170,812, in which \$77,360 was for depreciation, which is a non-cash transaction. This is a \$1,575 decrease in total expenses from last year.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Village adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*. Comparative analysis will be available in future years when prior information becomes available.

## **FUND FINANCIAL STATEMENTS**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## **USING THIS ANNUAL REPORT**

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

Our accountant has provided assurance in his independent accountant's report, located immediately following this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

## **Reporting the Village's Most Significant Funds**

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

## MD&A

### GOVERNMENTAL FUNDS Statement of Net Position

The following table represents the Comparative Statement of Net Position as of June 30, 2013:

	2012	2013	% Change
<b>Assets</b>			
Cash & Investments	\$ 260,754	\$ 177,995	-31.7
Receivables, Net	33,835	27,960	-17.4
Capital Assets, Net of Accumulated Depreciation	703,909	939,533	33.5
<b>Total Assets</b>	<u>998,498</u>	<u>1,145,488</u>	14.7
<b>Liabilities</b>			
Accounts, Salaries, & Other Payables	11,066	35,044	216.7
Bonds & Interest Payable	157,502	157,502	0.0
<b>Total Liabilities</b>	<u>168,568</u>	<u>192,546</u>	14.2
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	546,407	782,031	43.1
Unrestricted	283,523	170,911	-39.7
<b>Total Net Position</b>	<u>\$ 829,930</u>	<u>\$ 952,942</u>	14.8

### Comparative Changes in Fund Balances

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2013:

	2012	2013	% Change
<b>REVENUES</b>			
Fines	\$ 593,495	\$ 639,634	7.8
Loan Proceeds	167,500	-0-	-100.0
Fees & Charges	20,136	18,984	-5.7
Taxes	5,367	5,422	1.0
Post Office Lease	4,224	4,124	-2.4
Other	4,929	8,940	81.4
<b>TOTAL REVENUES</b>	<u>795,651</u>	<u>677,104</u>	-14.9
<b>EXPENDITURES</b>			
Personnel Expense	257,129	323,740	25.9
Police Expense	47,686	72,907	52.9
Other Administrative	152,798	163,123	6.8
Capital Outlay	173,993	283,238	62.8
Debt Service	14,906	-0-	-100.0
<b>TOTAL EXPENDITURES</b>	<u>646,512</u>	<u>843,008</u>	30.4
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>149,139</u>	<u>(165,904)</u>	211.2
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest Income	-0-	94	100.0
Transfers In (Out)	17,927	(7,612)	142.5
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>17,927</u>	<u>(7,518)</u>	141.9
<b>CAPITAL CONTRIBUTIONS</b>	-0-	60,810	100.0
<b>NET CHANGE IN FUND BALANCE</b>	<u>167,066</u>	<u>(112,612)</u>	167.4
<b>FUND BALANCES--BEGINNING</b>	<u>116,457</u>	<u>283,523</u>	143.5
<b>FUND BALANCES--ENDING</b>	<u>\$ 283,523</u>	<u>\$ 170,911</u>	-39.7



## MD&A

### ENTERPRISE FUNDS

### Comparative Statement of Net Position

The following table represents the Comparative Statement of Net Position as of June 30, 2013:

	2012	2013	% Change
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	\$ 9,402	\$ 15,663	66.6
Receivables, Net	10,127	12,611	24.5
<b>TOTAL CURRENT ASSETS</b>	<u>19,529</u>	<u>28,274</u>	44.8
<b>NON-CURRENT ASSETS</b>			
Restricted Assets	20,109	21,274	5.8
Capital Assets (Net of Accumulated Depreciation)	1,650,471	1,716,652	4.0
<b>TOTAL NON-CURRENT ASSETS</b>	<u>1,670,580</u>	<u>1,737,926</u>	4.0
<b>TOTAL ASSETS</b>	<u>1,690,109</u>	<u>1,766,200</u>	4.5
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	2,047	4,111	100.8
Current Bonds & Interest (Payable From Restricted Assets)	2,150	2,100	-2.3
<b>TOTAL CURRENT LIABILITIES</b>	<u>4,197</u>	<u>6,211</u>	48.0
<b>NON-CURRENT LIABILITIES</b>			
Revenue Bonds	4,000	2,000	-50.0
Customer Deposits	15,643	15,590	-0.3
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>19,643</u>	<u>17,590</u>	-10.5
<b>TOTAL LIABILITIES</b>	<u>23,840</u>	<u>23,801</u>	-0.2
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	1,644,471	1,712,652	4.2
Restricted	7,372	8,640	17.2
Unrestricted	14,426	21,107	46.3
<b>TOTAL NET POSITION</b>	<u>\$ 1,666,269</u>	<u>\$ 1,742,399</u>	4.6

## MD&A

### Comparative Changes in Net Position

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2013:

	2012	2013	% Change
<b>OPERATING REVENUES</b>			
Water Sales	\$ 41,074	\$ 41,467	1.0
Sewer Charges	24,725	25,732	4.1
Sales Tax	33,882	38,073	12.4
Other	6,103	2,393	-60.8
<b>TOTAL OPERATING REVENUES</b>	<u>105,784</u>	<u>107,665</u>	1.8
<b>OPERATING EXPENSES</b>			
Administration	96,013	93,202	-2.9
Depreciation	76,024	77,360	1.8
<b>TOTAL OPERATING EXPENSES</b>	<u>172,037</u>	<u>170,562</u>	-0.9
<b>OPERATING INCOME (LOSS)</b>	<u>(66,253)</u>	<u>(62,897)</u>	-5.1
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	16	-0-	-100.0
Interest Expense	(350)	(250)	-28.6
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(334)</u>	<u>(250)</u>	25.2
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	(66,587)	(63,151)	5.2
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In/(Out)	(17,927)	7,612	142.5
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(17,927)</u>	<u>7,612</u>	142.5
<b>CAPITAL CONTRIBUTIONS</b>	50,902	131,698	158.7
<b>CHANGE IN NET POSITION</b>	(33,612)	76,159	326.6
<b>TOTAL NET POSITION – BEGINNING</b>	1,699,881	1,666,240	-2.0
<b>TOTAL NET POSITION – ENDING</b>	<u>\$ 1,666,269</u>	<u>\$ 1,742,399</u>	4.6

### CAPITAL ASSETS

#### Capital Assets – Governmental Fund

At June 30, 2013, the Village had \$939,533 invested in capital assets, including land, the walking track, street improvements, police cars, and equipment.

#### Capital Assets At Year-End

	2012	2013
Land *	\$ 8,000	\$ 8,000
Buildings/Walking Track/Street	544,988	588,878
Equipment	290,994	354,547
Construction in Progress *	170,069	345,864
Accumulated Depreciation	(310,142)	(357,756)
<b>Total Net Position</b>	<u>\$ 703,909</u>	<u>\$ 939,533</u>

\* Land in the amount of \$8,000 and Construction in Progress in the amount of \$345,864 are not being depreciated.

## MD&A

### *Capital Assets – Enterprise Fund*

At June 30, 2013, the Village had \$1,745,551 invested in capital assets, including the sewer system, water system, machinery, and equipment.

#### Capital Assets At Year-End

	2012	2013
Sewer System *	\$ 1,226,959	\$ 1,361,527
Water System *	1,676,327	1,685,300
Accumulated Depreciation	(1,252,815)	(1,330,175)
<b>Total Net Position</b>	<b>\$ 1,650,471</b>	<b>\$ 1,716,652</b>

\* Construction in Progress in the Sewer System in the amount of \$160,967 and Construction in Progress in the Water System in the amount of \$32,768 are not being depreciated.

### CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Village of Georgetown for the year ended June 30, 2013:

	<u>General Obligation</u>	<u>Revenue</u>	
	<u>Public Improvement</u>	<u>Sewer</u>	<u>Total</u>
<b>Bonds Payable</b>			
<b>06/30/2012</b>	\$ 148,888	\$ 6,000	\$ 154,888
Principal Retirement	-0-	(2,000)	(2,000)
<b>Bonds Payable</b>			
<b>06/30/2013</b>	<b>\$ 148,888</b>	<b>\$ 4,000</b>	<b>\$ 152,888</b>

### **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Danny Olden, Mayor, at the Village of Georgetown, phone (318) 827-5527.

## **Basic Financial Statements**

**Village of Georgetown, Louisiana**  
**Statement of Net Position**  
**June 30, 2013**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS- TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 177,995	\$ 15,663	\$ 193,658
Receivables, Net	27,960	12,611	40,571
Restricted Assets	-0-	21,274	21,274
Capital Assets (Net of Accumulated Depreciation)	939,533	1,716,652	2,656,185
<b>TOTAL ASSETS</b>	<u>1,145,488</u>	<u>1,766,200</u>	<u>2,911,688</u>
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	35,044	4,111	39,155
Bonds & Interest Payable - Current Portion	8,613	2,100	10,713
<b>TOTAL CURRENT LIABILITIES</b>	<u>43,657</u>	<u>6,211</u>	<u>49,868</u>
<b>NON-CURRENT LIABILITIES</b>			
Bonds Payable	148,889	2,000	150,889
Customer Deposits	-0-	15,590	15,590
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>148,889</u>	<u>17,590</u>	<u>166,479</u>
<b>TOTAL LIABILITIES</b>	<u>192,546</u>	<u>23,801</u>	<u>216,347</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	782,031	1,712,652	2,494,683
Restricted	-0-	8,640	8,640
Unrestricted	170,911	21,107	192,018
<b>TOTAL NET POSITION</b>	<u>\$ 952,942</u>	<u>\$ 1,742,399</u>	<u>\$ 2,695,341</u>

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2013**

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana**  
**Balance Sheet, Governmental Funds**  
**June 30, 2013**

	<b>GENERAL FUND</b>
<b>ASSETS</b>	
Cash	\$ 177,995
Receivables	27,960
<b>TOTAL ASSETS</b>	<u>205,955</u>
<b>LIABILITIES</b>	
Accounts, Salaries, & Other Payables	35,044
<b>TOTAL LIABILITIES</b>	<u>35,044</u>
<b>FUND BALANCES</b>	
Unassigned	<u>170,911</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<u>\$ 205,955</u>

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana**  
**Reconciliation of the Government Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Position**  
**June 30, 2013**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 170,911
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	939,533
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Other	<u>(157,502)</u>
Net Position of Governmental Activities (Statement A)	\$ <u>952,942</u>

The accompanying notes are an integral part of this statement.



**Village of Georgetown, Louisiana**  
**Statement of Revenues, Expenditures &**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2013**

	<u>GENERAL</u>
<b>REVENUES</b>	
Fines	\$ 639,634
Fees & Charges	18,984
Taxes	5,422
Post Office Lease	4,124
Other	8,940
<b>TOTAL REVENUES</b>	<u>677,104</u>
<b>EXPENDITURES</b>	
Personnel Expense	323,740
Police Expense	72,907
Other Administrative	163,123
Capital Outlay	283,238
Debt Service	-0-
<b>TOTAL EXPENDITURES</b>	<u>843,008</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>	
<b>OVER (UNDER) EXPENDITURES</b>	<u>(165,904)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interest Income	94
Transfers In (Out)	(7,612)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(7,518)</u>
<b>CAPITAL CONTRIBUTIONS</b>	60,810
<b>NET CHANGE IN FUND BALANCE</b>	(112,612)
<b>FUND BALANCES--BEGINNING</b>	283,523
<b>FUND BALANCES--ENDING</b>	<u>\$ 170,911</u>

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**& Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2013**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental Funds, Statement E \$ (112,612)

Governmental funds report capital outlays as expenditure. However, in the Statement of Activities the cost of those assets is allocated over their Estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Purchases	283,238	
Depreciation Exp	(47,614)	
		235,624

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan Proceeds	-0-	
Principal Paid	-0-	
		-0-

Changes in Net Position of Governmental Activities, Statement B \$ 123,012

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana**  
**Statement of Net Position, Proprietary Funds**  
**June 30, 2013**

	<b>BUSINESS TYPE ACTIVITIES</b>		
	<b>ENTERPRISE FUNDS</b>		
	<b>SEWER FUND</b>	<b>WATER FUND</b>	<b>TOTAL</b>
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	\$ 7,195	\$ 8,468	\$ 15,663
Receivables, Net	5,793	6,818	12,611
<b>TOTAL CURRENT ASSETS</b>	<u>12,988</u>	<u>15,286</u>	<u>28,274</u>
<b>NON-CURRENT ASSETS</b>			
Restricted Assets	10,740	10,534	21,274
Capital Assets (Net of Accumulated Depreciation)	746,399	970,253	1,716,652
<b>TOTAL NON-CURRENT ASSETS</b>	<u>757,139</u>	<u>980,787</u>	<u>1,737,926</u>
<b>TOTAL ASSETS</b>	<u>770,127</u>	<u>996,073</u>	<u>1,766,200</u>
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	1,364	2,747	4,111
Current Bonds & Interest (Payable From Restricted Assets)	2,100	-0-	2,100
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,464</u>	<u>2,747</u>	<u>6,211</u>
<b>NON-CURRENT LIABILITIES</b>			
Revenue Bonds	2,000	-0-	2,000
Customer Deposits	-0-	15,590	15,590
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>2,000</u>	<u>15,590</u>	<u>17,590</u>
<b>TOTAL LIABILITIES</b>	<u>5,464</u>	<u>18,337</u>	<u>23,801</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	742,399	970,253	1,712,652
Restricted	8,640	-0-	8,640
Unrestricted	13,624	7,483	21,107
<b>TOTAL NET POSITION</b>	<u>\$ 764,663</u>	<u>\$ 977,736</u>	<u>\$ 1,742,399</u>

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana**  
**Statement of Revenues, Expenses & Changes in Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	<b>BUSINESS TYPE ACTIVITIES</b>		
	<b>ENTERPRISE FUNDS</b>		
	<b>SEWER FUND</b>	<b>WATER FUND</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>			
Water Sales	\$ -0-	\$ 41,467	\$ 41,467
Sewer Charges	25,732	-0-	25,732
Sales Tax	19,045	19,028	38,073
Other	-0-	2,393	2,393
<b>TOTAL OPERATING REVENUES</b>	<u>44,777</u>	<u>62,888</u>	<u>107,665</u>
<b>OPERATING EXPENSES</b>			
Administration	35,519	57,687	93,206
Depreciation	32,435	44,925	77,360
<b>TOTAL OPERATING EXPENSES</b>	<u>67,954</u>	<u>102,612</u>	<u>170,566</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(23,177)</u>	<u>(39,724)</u>	<u>(62,901)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	-0-	-0-	-0-
Interest Expense	(250)	-0-	(250)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(250)</u>	<u>-0-</u>	<u>(250)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	(23,427)	(39,724)	(63,151)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In/(Out)	4,306	3,306	7,612
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>4,306</u>	<u>3,306</u>	<u>7,612</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>130,250</u>	<u>1,448</u>	<u>131,698</u>
<b>CHANGE IN NET POSITION</b>	111,129	(34,970)	76,159
<b>TOTAL NET POSITION – BEGINNING</b>	653,535	1,012,705	1,666,240
<b>TOTAL NET POSITION – ENDING</b>	<u>\$ 764,664</u>	<u>\$ 977,735</u>	<u>\$ 1,742,399</u>

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2013**

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 43,513	\$ 61,668	\$ 105,181
Payments to Suppliers/Employees	(35,755)	(55,470)	(91,225)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>7,758</u>	<u>6,198</u>	<u>13,956</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In/(Out)	4,306	3,306	7,612
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>4,306</u>	<u>3,306</u>	<u>7,612</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>			
Capital Grant	130,250	1,448	131,698
Purchase of Capital Assets	(134,567)	(8,973)	(143,540)
Interest Paid on Capital Debt	(250)	-0-	(250)
Increase (Decrease) in Bonds & Interest Payable	(2,050)	-0-	(2,050)
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<u>(6,617)</u>	<u>(7,525)</u>	<u>(14,142)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Change in Restricted Assets	(1,218)	53	(1,165)
Interest Income	-0-	-0-	-0-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(1,218)</u>	<u>53</u>	<u>(1,165)</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	4,229	2,032	6,261
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	2,966	6,436	9,402
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>7,195</u>	<u>8,468</u>	<u>15,663</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	(23,177)	(39,724)	(62,901)
Depreciation Expense	32,435	44,925	77,360
(Increase) Decrease in Accounts Receivable	(1,264)	(1,220)	(2,484)
Increase (Decrease) in Accounts Payables	(236)	2,296	2,060
Increase (Decrease) in Customer Deposits	-0-	(79)	(79)
<b>TOTAL ADJUSTMENTS</b>	<u>30,935</u>	<u>45,922</u>	<u>76,857</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 7,758</u>	<u>\$ 6,198</u>	<u>\$ 13,956</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic  
Financial Statements**

# VILLAGE OF GEORGETOWN, LOUISIANA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### **(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Georgetown was incorporated under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

#### **Impact of Recently Issued Accounting Principles**

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 62 does not have any impact on the Authority's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 63 does not have any impact on the Authority's financial statements.

The accounting and reporting policies of the Village of Georgetown conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

## **VILLAGE OF GEORGETOWN, LOUISIANA**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

#### **A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal



## **VILLAGE OF GEORGETOWN, LOUISIANA**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**

period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental fund:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund

The municipality reports the following major proprietary funds:

- Water Fund
- Sewer Fund

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services and sales taxes. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### **C. FIXED ASSETS & LONG-TERM LIABILITIES**

For the year ended June 30, 2013, no interest costs were capitalized for construction of fixed assets.

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Life In Years</u>
Water System	40
Sewer System	40
Walking Trail	20
Equipment	5-10

#### D. BUDGETARY PRACTICES

The District prepares a budget at the beginning of each year. The Board approves the budget and any subsequent amendments. All appropriations end at year end.

#### E. CASH, CASH EQUIVALENTS, & INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the Village's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at fiscal year-end. All deposits were secured at the year-end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the Village or by its agent in the Village's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name.
- *Category 3* – Uncollateralized.

<u>Bank</u>	<u>Bank Balance 6-30-2013</u>
Southern Heritage Bank	\$ <u>224,119</u>

*Amounts on deposit at the bank are secured by the following:*

<u>Description</u>	<u>Market Value</u>
FDIC ( <i>Category 1</i> )	\$ 250,000
Securities ( <i>Category 2</i> )	230,643
<b>Total</b>	<b>\$ <u>480,643</u></b>

Deposits were fully secured as of June 30, 2013.

# VILLAGE OF GEORGETOWN, LOUISIANA

## NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

### F. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations, and accordingly, these supplies are expensed as purchased.

### G. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

	Enterprise Fund		Governmental Fund
	Water Fund	Sewer Fund	General Fund
Tax & Franchise	\$ 3,434	\$ 1,717	\$ 1,135
Customer	3,554	4,280	26,825
Allowance for Bad Debts	(169)	(204)	-0-
<b>Total A/R, Net</b>	<b>\$ 6,819</b>	<b>\$ 5,793</b>	<b>\$ 27,960</b>

### H. COMPENSATED ABSENCES

The Village has no compensated absence policy.

### I. RESTRICTED

The Village records restrictions to indicate that a portion of its retained earnings/fund balances are legally restricted for a specific future use. The following is a list of such restrictions and a description of each:

#### *Restricted for System Maintenance*

This amount represents monies restricted for repairs and replacement of the water system.

#### *Restricted - Revenue Bonds*

This amount represents monies restricted as required by the revenue bond indentures.

#### *Restricted for Debt Service*

Certain assets have been restricted in the Debt Service Fund for future payment of long-term liabilities of the governmental funds.

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

#### (2) AD VALOREM TAXES

The Village levies taxes on real and business personal property located within its boundaries. The Village utilizes the services of the Grant Parish Tax Assessor to assess the property values and prepare the Village's property tax roll. The Village bills and collects its own property taxes.

#### Property Tax Calendar

Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

For the year ended June 30, 2013, taxes of 8.29 mills were levied against property having a valuation of some \$654,037 which produced some \$5,422 in revenue.

Ad Valorem Taxes are broken down as follows:

	<u>Mills</u>
General Alimony	8.29
<b>Total</b>	<u>8.29</u>

#### (3) SALES TAX

Voters passed a 1% sales tax in February 1991 dedicated to the repair and maintenance of the Village's water system.

In November 2005 the voters of the Village of Georgetown passed a 1% sales and use tax for the purpose of improving, operating, maintaining, and supporting the sewerage system of the Village.

# VILLAGE OF GEORGETOWN, LOUISIANA

## NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

### (4) RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At June 30, 2013, restricted assets of the Enterprise Funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

	<u>Water</u>	<u>Sewer</u>
Bond Sinking	\$ -0-	\$ 6,345
Meter Deposit	10,534	-0-
Bond Reserve	-0-	1,457
Depreciation & Contingencies	-0-	2,938
<b>Total</b>	<u>\$ 10,534</u>	<u>\$ 10,740</u>

### (5) FIXED ASSETS

#### Enterprise Fund - Plant & Equipment:

A summary of enterprise fund property, plant and equipment at June 30, 2013, is as follows:

	<u>Balance 6-30-2012</u>	<u>Additions (Deletions)</u>	<u>Balance 6-30-2013</u>
<b>Water</b>			
Distribution System *	\$ 1,676,327	\$ 8,973	\$ 1,685,300
Accumulated Depreciation	(670,122)	(44,925)	(715,047)
Net	<u>\$ 1,006,205</u>	<u>\$ (35,952)</u>	<u>\$ 970,253</u>
 <b>Sewer</b>			
Plant *	\$ 1,226,959	\$ 134,568	\$ 1,361,527
Accumulated Depreciation	(582,693)	(32,435)	(615,128)
Net	<u>\$ 644,266</u>	<u>\$ 102,133</u>	<u>\$ 746,399</u>

\* Construction in Progress in the Sewer System in the amount of \$160,967 and Construction in Progress in the Water System in the amount of \$32,768 are not being depreciated.

Enterprise fund assets are depreciated on the straight-line basis using the following useful lives:

Sewer Plant	40 Years
Water Plant	40 Years
Equipment	5-10 Years

# VILLAGE OF GEORGETOWN, LOUISIANA

## NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

### Governmental Fund:

A summary of governmental fund depreciable assets at June 30, 2013, is as follows:

	Balance 6-30-2012	Additions (Deletions)	Balance 6-30-2013
Land *	\$ 8,000	\$ -0-	\$ 8,000
Buildings/Walking Track/Street	544,988	43,890	588,878
Equipment	290,994	63,553	354,547
Construction in Progress *	170,069	175,795	345,864
Accumulated Depreciation	(310,142)	(47,614)	(357,756)
Net	\$ <u>703,909</u>	\$ <u>235,624</u>	\$ <u>939,533</u>

\* Land in the amount of \$8,000 and Construction in Progress in the amount of \$345,864 are not being depreciated.

Government fund assets are depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Walking Track/Street	20 Years
Post Office	40 Years

### (6) CHANGES IN LONG-TERM DEBT

The following is a summary of bond and installment notes payable transactions of Village of Georgetown for the year ended June 30, 2013.

	Balance 6-30-2012	Additions	Payments	Balance 6-30-2013
Sewer Revenue Bonds	\$ 6,000	\$ -0-	\$ (2,000)	\$ 4,000
General Obligation Bonds	157,502	-0-	-0-	157,502
<b>Total</b>	\$ <u>163,502</u>	\$ <u>-0-</u>	\$ <u>(2,000)</u>	\$ <u>161,502</u>

Bond and installment notes payable at June 30, 2013, are comprised of the following issues:

#### *Revenue Bonds (Enterprise Fund)*

\$60,000 Sewer Revenue Bonds dated 1975, due in monthly installments of \$1,000 to \$2,000 through January 1, 2015, interest at 5%. \$ 4,000

#### *General Obligation Bonds (Governmental Fund)*

\$167,500 General Obligation Bonds dated 2012, due in yearly installments of \$14,905.59 through December 1, 2026, interest at 3.995%. 157,502

**Total** \$ 161,502

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

The annual requirements to amortize all debt outstanding as of June 30, 2013, including interest payments, are as follows:

Year Ending June 30,	Sewer Revenue Bonds	General Obligation Bonds	Total Bonds Payable
2014	\$ 2,200	\$ -0-	\$ 2,200
2015	2,100	14,906	17,006
2016	-0-	14,906	14,906
2017	-0-	14,906	14,906
2018	-0-	14,906	14,906
2019-2023	-0-	74,528	74,528
2024-2028	-0-	59,622	59,622
<b>Total</b>	<b>\$ 4,300</b>	<b>\$ 193,774</b>	<b>\$ 198,074</b>

Under the terms of the bond indenture on outstanding Sewer Revenue Bonds dated 1975, earnings of the sewer system are to be maintained separately and used for the following purposes:

- (a) Payment of all reasonable and necessary expenses of operating and maintaining the system.
- (b) Each month there will be set aside into a fund called the "Sewer Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next principal and interest payment.
- (c) Each month, there will be set aside into a "Sewer Reserve Fund" 5% of the amount paid into the Sinking Fund. These funds may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not available in the Sinking Fund.
- (d) There will also be set aside into a "Sewer Depreciation and Contingency Fund" 5% of the amount paid into the sinking fund. These funds will be used to care for depreciation, extensions, additions, improvements and replacements necessary to operate the system properly, and to pay interest and principal on bonds when there is not sufficient money in the Sinking or Reserve Fund.
- (e) All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful purpose.

#### **(7) LITIGATION**

The Village of Georgetown is involved in no litigation at June 30, 2013, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

#### (8) ELECTED OFFICIAL'S SALARIES

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Annualized Salary</u>
Danny Olden 297 Hwy 502 Georgetown, LA 71432 (318) 827-5575	Mayor	Jan. 1, 2013 – Dec. 31, 2016	\$ 3,700
Dorothy Self 313 Hwy. 502 Georgetown, LA 71432 (318) 613-1386	Alderman	Jan. 1, 2013 – Dec. 31, 2016	\$ 5,880
Jim Bradford PO Box 192 Georgetown, LA 71432 (318) 827-5587	Alderman	Jan. 1, 2013 – Dec. 31, 2016	\$ 6,600
Ray Williamson PO Box 132 Georgetown, LA 71432 (318) 827-9649	Alderman	Jan. 1, 2013 – Dec. 31, 2016	\$ 5,880
Billy Prince PO Box 96 Georgetown, LA 71432 (318) 827-5400	Police Chief	Jan. 1, 2013– Dec. 31, 2016	\$ 44,460

#### (9) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### (10) RETIREMENT PLANS

The Village does not offer its employees a retirement plan. All employees are in the social security system.

#### (11) TRANSFERS

Transfers were made between the general and enterprise funds to cover general expenses.



# VILLAGE OF GEORGETOWN, LOUISIANA

## NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

### **(12) WATER AND SEWER RATES**

<b>Water: (124 Customers)</b>	<b>Minimum Charge</b>	<b>Next</b>
Residential	\$11.00 for 1 <sup>st</sup> 1,600 gals. water used	\$1.65 per 1,000 for next 2,400 gals. water used 1.35 per 1,000 for next 1,800 gals. water used 1.20 per 1,000 for next 4,200 gals. water used 1.07 per 1,000 for next 5,000 gals. water used .93 per 1,000 thereafter
Schools	\$200.00 for 1 <sup>st</sup> 71,600 gals. water used	\$ .93 per 1,000 thereafter
Housing Authority	\$225.00 for 1 <sup>st</sup> 42,000 gals. water used	\$1.75 per 1,000 for next 70,000 gals. water used 1.33 per 1,000 for next 60,000 gals. water used .90 per 1,000 for next 110,000 gals. water used .80 thereafter
<b>Sewer: (121 Customers)</b>		
Residential -	\$ 14.00 for 1 <sup>st</sup> 5,100 gals. water used	\$ .10 per 1,000 gals. water used thereafter
School	\$ 48.33 a month for all water used	
Housing Authority	\$350.16 for 1 <sup>st</sup> 145,600 gals. water used	\$ .07 per 1,000 thereafter

### **(13) SCHEDULE OF INSURANCE**

<b>Type</b>	<b>Agent</b>	<b>Amount</b>	<b>Date Expired</b>
General Liability	E. Dale Johnson – Community Financial Insurance Center, LLC	\$1,000,000	1/1/2014
Fidelity Bond – Crime/ Professional Liability	E. Dale Johnson – Community Financial Insurance Center, LLC	\$100,000/\$1,000,000	1/1/2014
Auto Liability	E. Dale Johnson – Community Financial Insurance Center, LLC	\$1,000,000	1/1/2014
Workmen's Comp.	E. Dale Johnson – Community Financial Insurance Center, LLC	\$100,000/\$100,000/\$500,000	1/1/2014

### **(14) EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The Village overspent its budget by \$128,007 during the year.

## **VILLAGE OF GEORGETOWN, LOUISIANA**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**

#### **(15) CONTINGENCIES**

The Village has entered into a lease agreement with International Paper Inc. (I.P.) for the purchase of water from I.P.'s property. The lease is for \$1 annually and renewed on an annual basis.

#### **(16) UTILITY RELOCATION ASSISTANCE FUNDING (URAF)**

Chapter 3 § 301(c) of the Louisiana Administrative Code states that "URAF funding is neither a loan nor a grant and there is no interest charged on this money. However, the utility must repay this money eventually, or it will not be allowed to locate its facilities within highway right-of-way".

This transaction, occurring in the 2008 fiscal year, was recorded as a capital grant and capitalized as fixed assets (Utility Relocation) in the enterprise fund in 2008.

#### **(17) CONTRACTUAL AGREEMENTS**

The Village of Georgetown entered into a contractual agreement with Redhill Waterworks, Inc., on October 14, 2010. The agreements of the contract are as follows:

Redhill hereby agrees to sell water to Georgetown under the following terms and conditions:

1. Georgetown agrees to construct, at its own expense, a High Flow Connection to tie its water system to Redhill. Construction will commence after the signing of this contract.
2. This contract shall be for a term of five (5) years which shall commence on the date that the construction referenced above is complete.
3. Georgetown agrees to compensate Redhill as follows:
  - a. Georgetown agrees to pay for its actual water usage under the following terms:
    - i. Monthly, on a date set by this contract, Georgetown's actual water usage shall be calculated. Georgetown agrees to pay Redhill \$2.50 per one thousand gallons used for all usage. This payment shall be due no later than 15 days after the date specified in Section 3.a.ii.
    - ii. A representative from Redhill and Georgetown shall jointly record the monthly consumption on the 21<sup>st</sup> day of every month in which the connection is active.
  - b. Also, on the anniversary date of this contract, Redhill will calculate the actual pumping costs of producing the water. These costs include, but are not limited to, electrical and chemical expenses. In the event that these costs increase, the percentage of increase over the previous year shall be calculated and will be applied the following year to the \$2.50 per thousand gallons actual usage fee as defined in Section 3.a.i.

**Required Supplemental  
Information**

**Village of Georgetown, Louisiana**  
**Statement of Revenues, Expenditures, & Changes in Fund Balance**  
**Budget & Actual**  
**General Fund**  
**For the Year Ended June 30, 2013**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Court	\$ -0-	\$ -0-	\$ 414,740	\$ 414,740
Fines	450,000	550,000	224,894	(325,106)
Loan Proceeds	-0-	-0-	-0-	-0-
Grant	20,000	20,000	60,810	40,810
Fees & Charges	25,000	25,000	18,984	(6,016)
Taxes	6,000	6,000	5,422	(578)
Post Office Lease	-0-	-0-	4,124	4,124
Other	4,000	4,000	8,940	4,940
<b>TOTAL REVENUES</b>	<u>505,000</u>	<u>605,000</u>	<u>737,914</u>	<u>132,914</u>
<b>EXPENDITURES</b>				
Personnel Expense	225,000	225,000	323,740	(98,740)
Police Expense	54,000	54,000	72,907	(18,907)
Other Administrative	161,000	191,000	163,122	27,878
Capital Outlay	65,000	245,000	283,238	(38,238)
Debt Service	-0-	-0-	-0-	-0-
<b>TOTAL EXPENDITURES</b>	<u>505,000</u>	<u>715,000</u>	<u>843,007</u>	<u>(128,007)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -0-</u>	<u>\$ (110,000)</u>	<u>(105,093)</u>	<u>\$ 4,907</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interest Income			94	
Transfers In (Out)			(7,612)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			<u>(7,518)</u>	
<b>NET CHANGE IN FUND BALANCE</b>			(112,611)	
<b>FUND BALANCES--BEGINNING</b>			283,523	
<b>FUND BALANCES--ENDING</b>			<u>\$ 170,912</u>	

The accompanying notes are an integral part of this statement.

## **OTHER REPORTS**

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## MEMBERS

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Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

### **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Danny Olden, Mayor  
& Members of the Village Council  
Georgetown, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Village of Georgetown, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Village of Georgetown's basic financial statements, and have issued our report thereon dated September 17, 2013.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Georgetown's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Georgetown's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Georgetown's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Georgetown's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as **2013-C-1 Budget Variances**.

## **Village of Georgetown's Response to Findings**

The Village of Georgetown's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Village of Georgetown's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

*The Vercher Group*

September 17, 2013  
Jena, Louisiana

## VILLAGE OF GEORGETOWN, LOUISIANA

## SCHEDULE OF FINDINGS AND QUESTIONED COST

**For the Year Ended June 30, 2013**

We have audited the basic financial statements of the Village of Georgetown, Louisiana, as of and for the year ended June 30, 2013, and have issued our report thereon dated September 17, 2013. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2013, resulted in an unqualified opinion.

## Section I - Summary of Auditor's Results

**a. Report on Internal Control and Compliance Material to the Financial Statements**

## Internal Control

Material Weaknesses ☐ Yes ☒ No      Other Conditions ☐ Yes ☒ No

## Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

**b. Federal Awards (Not Applicable)**

## Internal Control

Material Weaknesses ☐ Yes ☐ No Other Conditions ☐ Yes ☐ No

Type of Opinion On Compliance    Unqualified ☐    Qualified ☐

For Major Programs ☐ Disclaimer ☐ Adverse ☐

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☐ No

**c. Identification Of Major Programs:**

**CFDA Number (s)****Name Of Federal Program (or Cluster)**

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No



**VILLAGE OF GEORGETOWN, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)**  
**For the Year Ended June 30, 2013**

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**Section II - Financial Statement Findings**

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**2013-C-1 Budget Variances (Compliance Finding)**

**Condition:** The Village overspent its budget by \$128,007 or 18%.

**Criteria:** The Budget Act requires governments amend their budgets when revenues fall below budgeted amounts by more than 5% or when expenditures exceed 5% of appropriations.

**Cause of condition:** Not amending the budget.

**Effect of condition:** Violation of the Budget Act.

**Recommendation:** Revenues and expenditures should be monitored to determine if the budget should be amended before year end.

**Client Response and Corrective Action:** Discussed with the Village clerk and Village officials at monthly council meeting. The Village will begin monitoring revenues and expenditures to determine if the budget should be amended.

**Contact Person:** Danny Olden, Mayor

**Anticipated Completion Date:** June 30, 2014

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**Section III – Federal Awards Findings and Questioned Costs**

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Not applicable.

**VILLAGE OF GEORGETOWN, LOUISIANA**

**MANAGEMENT'S SUMMARY  
OF PRIOR YEAR FINDINGS**

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Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the Village of Georgetown, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial audit for the year ended June 30, 2012.

**PRIOR YEAR FINDINGS**

No items to report.